

SENATE BILL REPORT

HB 2161

As Reported By Senate Committee On:
Government Operations & Elections, March 15, 2007

Title: An act relating to providing for consistency between code cities and noncode cities in the apportionment of investment funds.

Brief Description: Providing for consistency between code cities and noncode cities in the apportionment of investment funds.

Sponsors: Representatives Simpson, Curtis, Eddy and Ormsby.

Brief History: Passed House: 3/08/07, 96-0.

Committee Activity: Government Operations & Elections: 3/15/07 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Kline, Pridemore and Swecker.

Staff: Mac Nicholson (786-7445)

Background: Excess and inactive funds in the treasury of a code or non-code city may be invested according to provisions prescribed in statute. Funds may be invested in United States bonds and certificates of indebtedness, Washington state bonds or warrants, general obligation or utility revenue bonds, local improvement district bonds or warrants, and any other investments authorized by law.

Excess funds available for investment may be invested on an individual fund basis or may be commingled within one common investment portfolio for the mutual benefit of all participating funds. In code cities where the funds are commingled in a common investment portfolio, all income derived from the investment must be apportioned among the participating funds in direct proportion to the amount of money invested by each. In non-code cities, income derived from commingled investments may be used for the benefit of the general or current expense fund of the city as determined by ordinance or resolution.

Summary of Bill: For code cities, income derived from a commingled investment portfolio must be apportioned among the participating funds or the general or current expense fund as determined by ordinance or resolution.

Appropriation: None.

Fiscal Note: Not requested.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill has no opposition. The bill provides uniformity regarding the allocation of investment income among non-code cities and code cities.

Persons Testifying: PRO: Jim Justin, Association of Washington Cities.